

ATEN INTERNATIONAL CO., LTD.

Institutional Investors Conference

Mar. 18,2004







ATEN CONNECTIVITY EXPERT



Agenda

- Welcome & Introduction
- Sales & Financial Report
- Major Product Categories
- Marketing Strategy
- R&D Report
- 2004 Objectives
- Product Award
- Q & A

ATEN®
CONNECTIVITY EXPERT



Who is Aten?

Market leader in middle-end market of KVM

Full range product category in connectivity

- KVM, USB, Industrial Control, wireless connection

Significant technology leadership

- Three R&D centers in Taiwan, Canada, China
- Expert both in analog and digital signal processing
- ASIC technology to integrate KVM with PS2 / USB
- Portfolio of patented intellectual property (194 patents)

Three brands in three market segmentation: Iogear, Aten, Altusen

Branded products: 65% of sales 2004 Q1

Strong financial balance sheet

- Good EPS results in the last five years and upcoming years
- Cash flow

ATEN CONNECTIVITY EXPERT



Sales & Financial Report

ATEN
CONNECTIVITY EXPERT



Sales and Financial Report

Income Statement
2004 (F) vs 2003 (A)

Forecasted Net Sales growth rate is above 22%

	2003(A)		2004(F)		GR
Amount:NT$1000		%		%	%
Net Sales	1,927,675	100.00	2,357,667	100.00	22.31
Cost of Goods Sold	1,013,552	52.58	1,284,980	54.50	26.78
Gross Margin	914,123	47.42	1,072,687	45.50	17.35
Operating Expense	368,263	19.10	429,098	18.20	16.52
Operating Income	522,251	27.09	626,156	26.56	19.90
Income before Tax	591,932	30.71	683,084	28.97	15.40
Net Income	472,087	24.49	532,806	22.60	12.86
EPS	6.46	-	6.50	-	-

ATEN®
CONNECTIVITY EXPERT



Sales and Financial Report

2003 Income Statement

Net Sales increased quarterly in 2003 with high gross margin rate

	Q1		Q2		Q3		Q4		Total
Amount:NT$1000		%		%		%		%	
Net Sales	430,300	100	467,995	100	481,012	100	548,368	100	1,927,675
Cost of Goods Sold	217,980	51	236,694	51	263,483	55	295,395	54	1,013,552
Gross Margin	212,320	49	231,301	49	217,529	45	252,973	46	914,123
Operating Expense	82,610	19	86,797	19	90,568	19	108,287	20	368,262
Operating Income	121,594	28	138,126	30	127,296	26	135,235	25	522,251
Income before Tax	161,757	38	143,250	31	141,756	29	145,169	26	591,932
Net Income	133,506	31	104,415	22	130,035	27	104,131	19	472,087

ATEN®
CONNECTIVITY EXPERT



Sales and Financial Report

2004 Income Statement (Forecast)

Forecasted Net Sales will increase quarterly
Average Gross Margin rate will be above 45%

	Q1		Q2		Q3		Q4		Total	
Amount:NT$1000		%		%		%		%		%
Net Sales	495,635	100	578,433	100	594,202	100	689,397	100	2,357,667	100
Cost of Goods Sold	270,121	54	315,940	55	323,543	54	375,376	54	1,284,980	55
Gross Margin	225,514	46	262,493	45	270,659	46	314,021	46	1,072,687	45
Operating Expense	105,588	21	108,400	19	108,055	18	107,055	16	429,098	18
Operating Income	115,568	23	149,735	26	158,246	27	202,607	29	626,156	27
Income before Tax	133,992	27	168,212	29	173,664	29	207,216	30	683,084	29
Net Income	104,515	21	131,205	23	135,458	23	161,628	23	532,806	23



Sales and Financial Report

self-assessed Income Statement
2004 Jan.~Feb.

	2004 Jan.~Feb.		2004 Jan.~Feb(F)	Ach.Rate (%)	2003 Jan.~Feb	GR(%)
Amount:NT$1000		%				
Net Sales	354,694	100.00	282,971	125.35	247,584	43.26
Cost of Goods Sold	193,293	54.50	151,644	127.46	129,111	49.71
Gross Margin	161,401	45.50	131,327	122.90	118,473	36.23
Operating Expense	63,535	17.91	69,679	91.18	54,586	16.39
Operating Income	97,866	27.59	61,647	158.75	63,886	53.19
Income before Tax	112,501	31.72	73,882	157.27	84,601	32.98
EPS(Pretax)	1.54	-	-	-	-	-

Note: Above figures are un-audited date.



Sales and Financial Report

Financial Performance from 1999 to 2003

Excellent financial performance from 1999 to 2003
High dividend policy

Amount:NT:$thousand (except EPS&Dividends:NT$)

Item	1999	2000	2001	2002	2003	2004(F)
Net Sales	1,232,570	1,612,022	1,828,982	1,840,613	1,927,675	2,357,667
Income before Tax	373,238	365,677	541,044	583,962	591,932	683,804
EPS(after-tax)*	**10.90**	**8.25**	**10.58**	**7.94**	**6.46**	**6.50**
Dividends Per Share	**7.0**	**5.5**	**8.0**	**6.0**	**6.5**	-
Cash Dividends	4.0	4.0	3.5	4.5	5.5	-
Stock Dividends	3.0	1.5	4.5	1.5	1.0	-

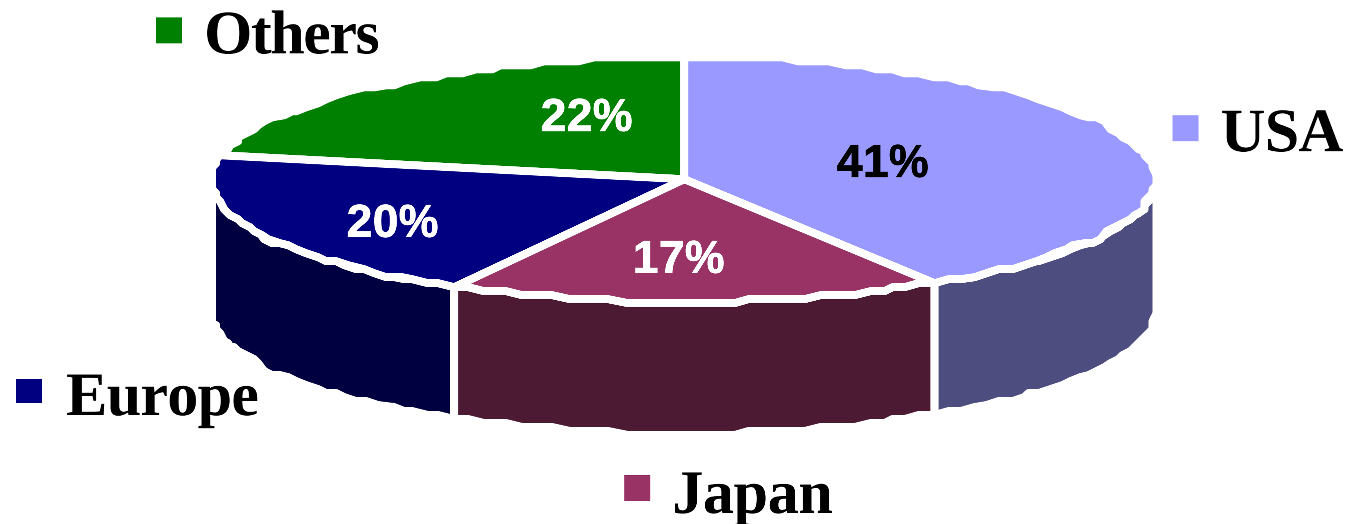
* Based on weighted average shares outstanding in each year

ATEN
CONNECTIVITY EXPERT



Sales and Financial Report

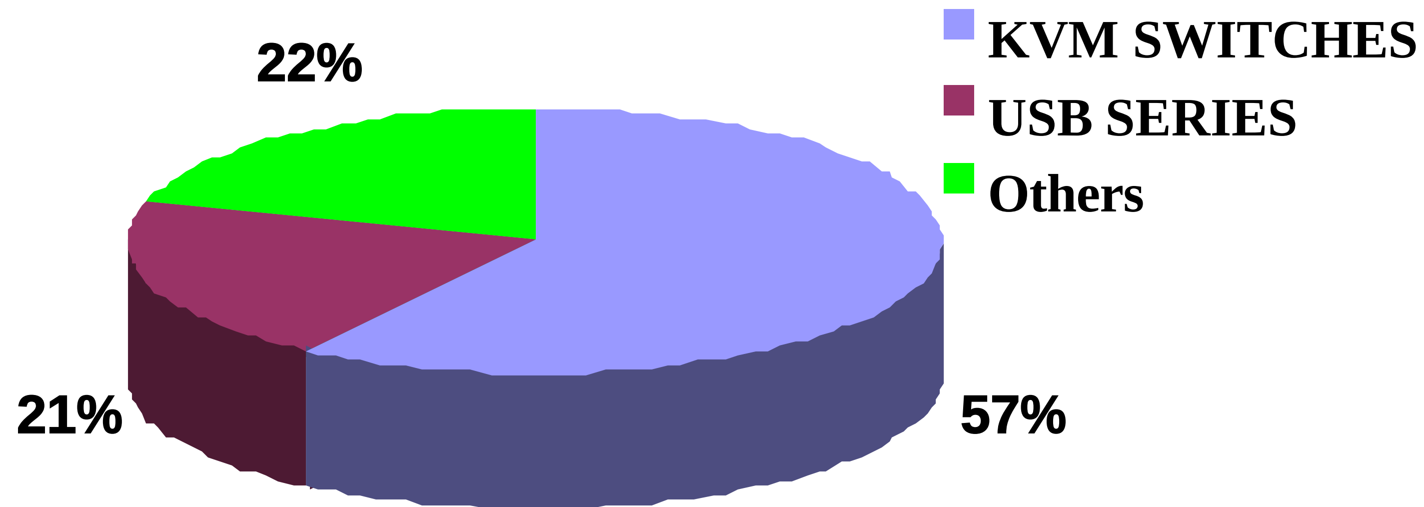
Sales Breakdown by Region





Sales and Financial Report

Sales Breakdown by Product Category



ATEN®
CONNECTIVITY EXPERT



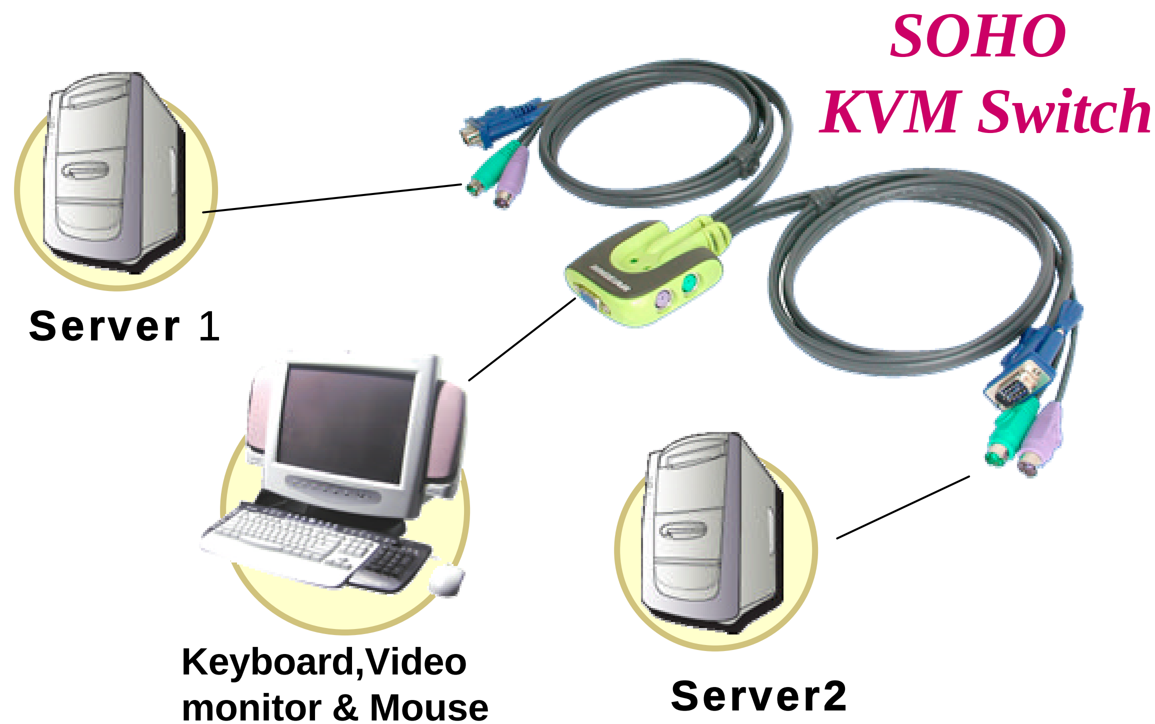
Major Product Categories



Major Products

KVM (Keyboard, Video, Mouse switch)

One Keyboard+Video monitor+Mouse to control 2+ computers



ATEN CONNECTIVITY EXPERT



Major Products

1. KVM (Keyboard, Video, Mouse switch)

SOHO KVM (Desktop)

Control 2~4 servers

Enterprise KVM (Rack-mount)

Control 4-16 servers

Professional KVM (Matrix)

Control 100+ servers

Multi-user, multi-platform



Major Products

1. KVM (Keyboard, Video, Mouse switch)

SOHO KVM (Desktop)

PS2 type keyboard & mouse

- CS62A,CS64A,CS82A,CS84A

USB type keyboard & mouse

- CS62U,CS522,CS521

PS2+USB combo type keyboard & mouse

- CS1732C, CS1734C

DVI type Digital Video type + USB type keyboard & mouse

- CS1762,CS1764

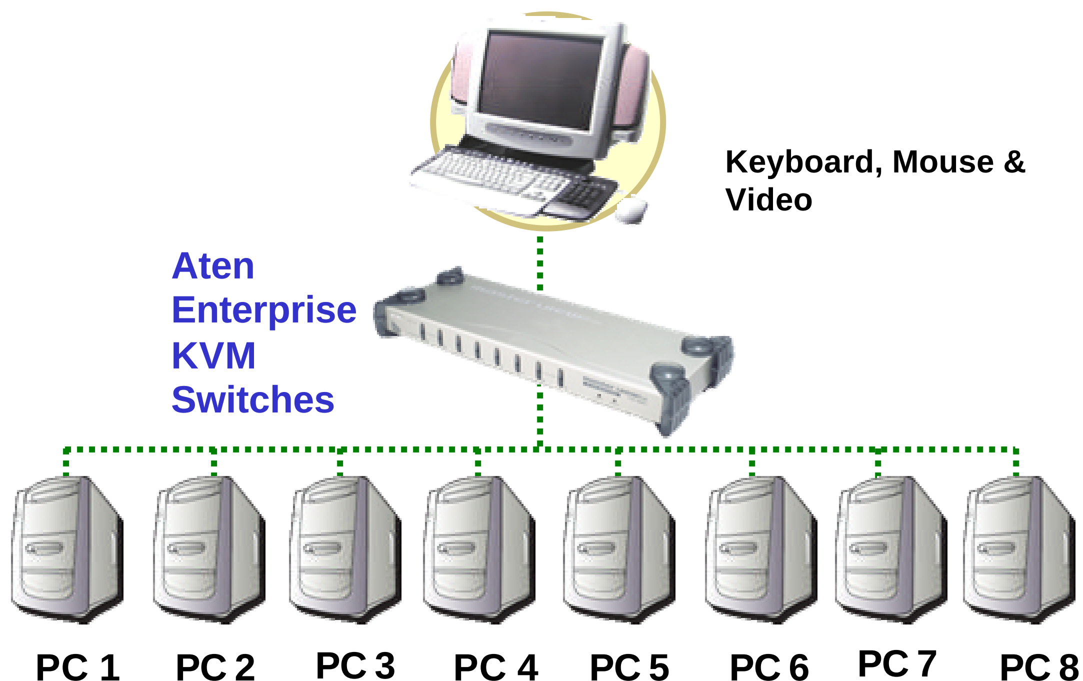


Major Products

1. KVM (Keyboard, Video, Mouse switch)

Enterprise KVM (Rack-mount)

Control 4-16 servers



ATEN® CONNECTIVITY EXPERT

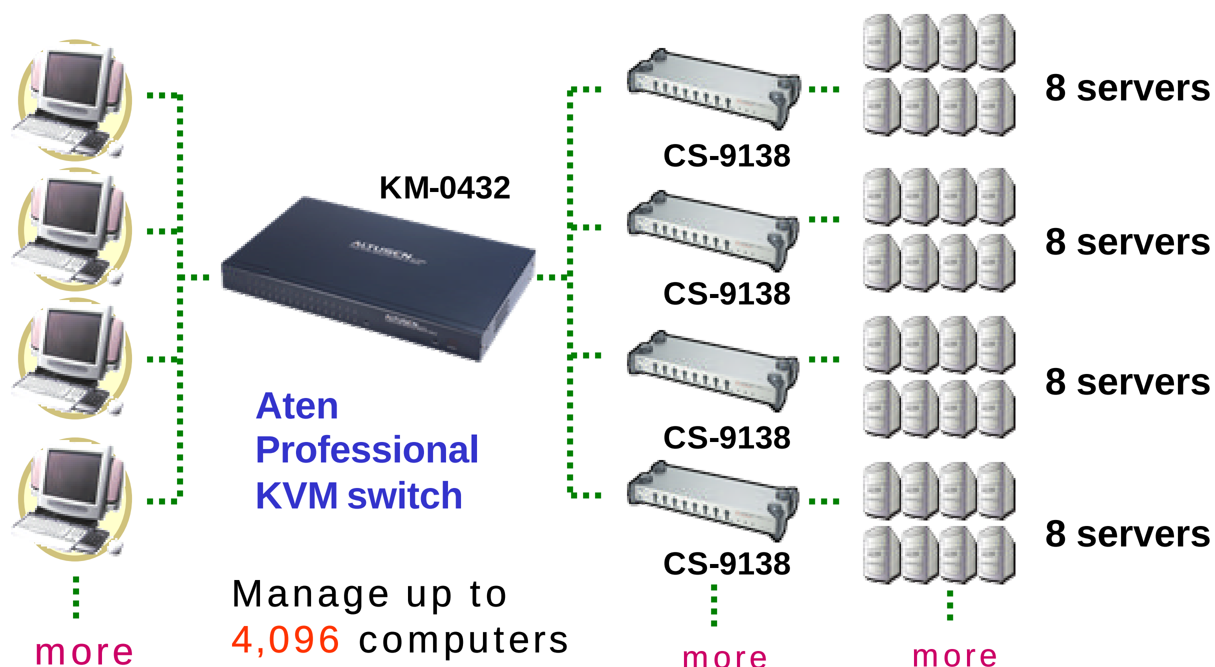


Major Products

1. KVM (Keyboard, Video, Mouse switch)

Professional KVM (Matrix)

Control 100+ servers
Multi-user, multi-platform



ATEN CONNECTIVITY EXPERT



Major Products

2. IP-based connectivity

KVM over IP

Remote control KVM by internet and intranet

Serial over IP

Remote control serial devices by internet and intranet

Power over IP

Remote power on/off varied devices at server room by internet and intranet



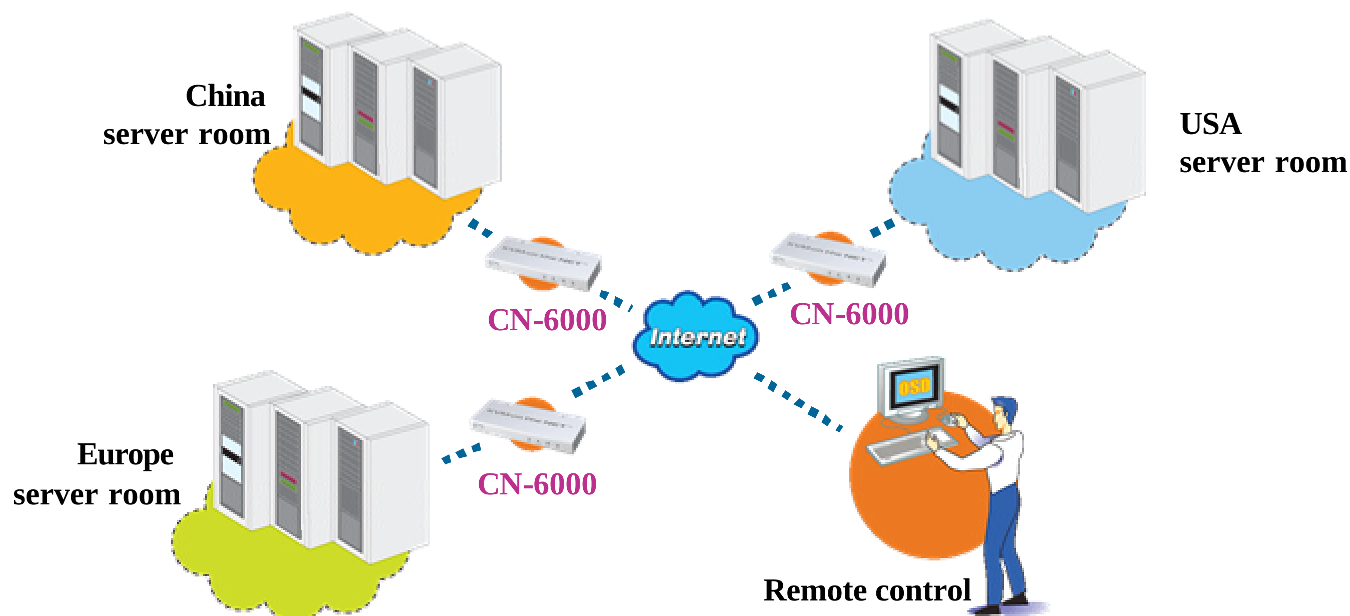
Major Products

2. IP-based connectivity

KVM over IP

Growth rate in the next 5 years: 31% (VDC survey report)

- **Total market amount in 2004: US$142M**



ATEN®
CONNECTIVITY EXPERT

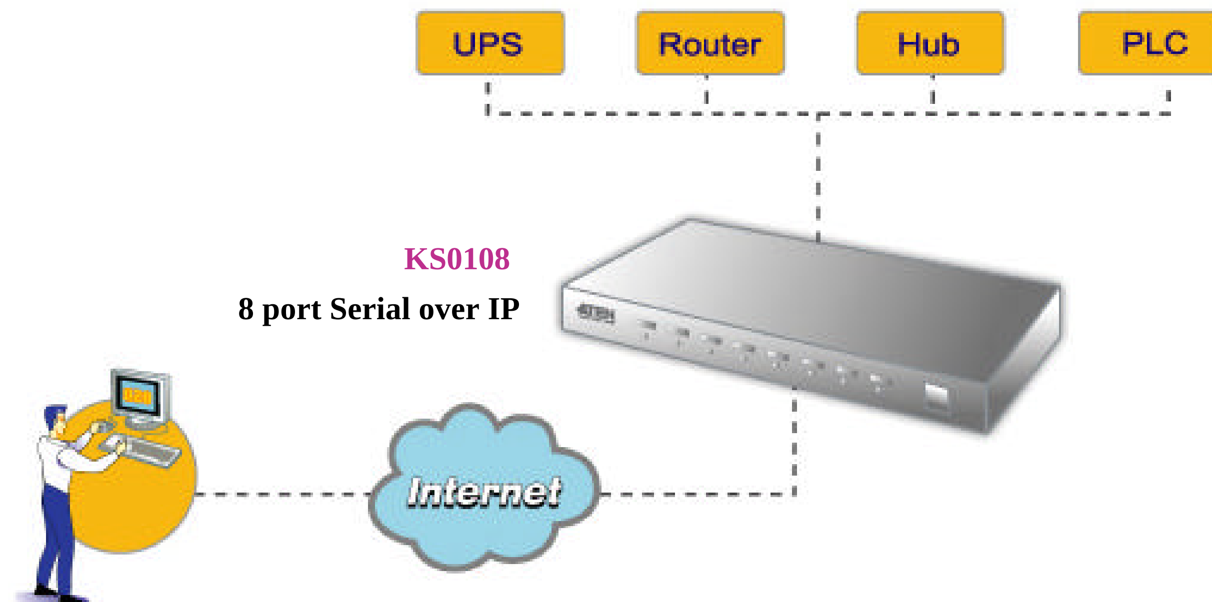


Major Products

2. IP-based connectivity

Serial over IP

Remote control serial devices by internet and intranet



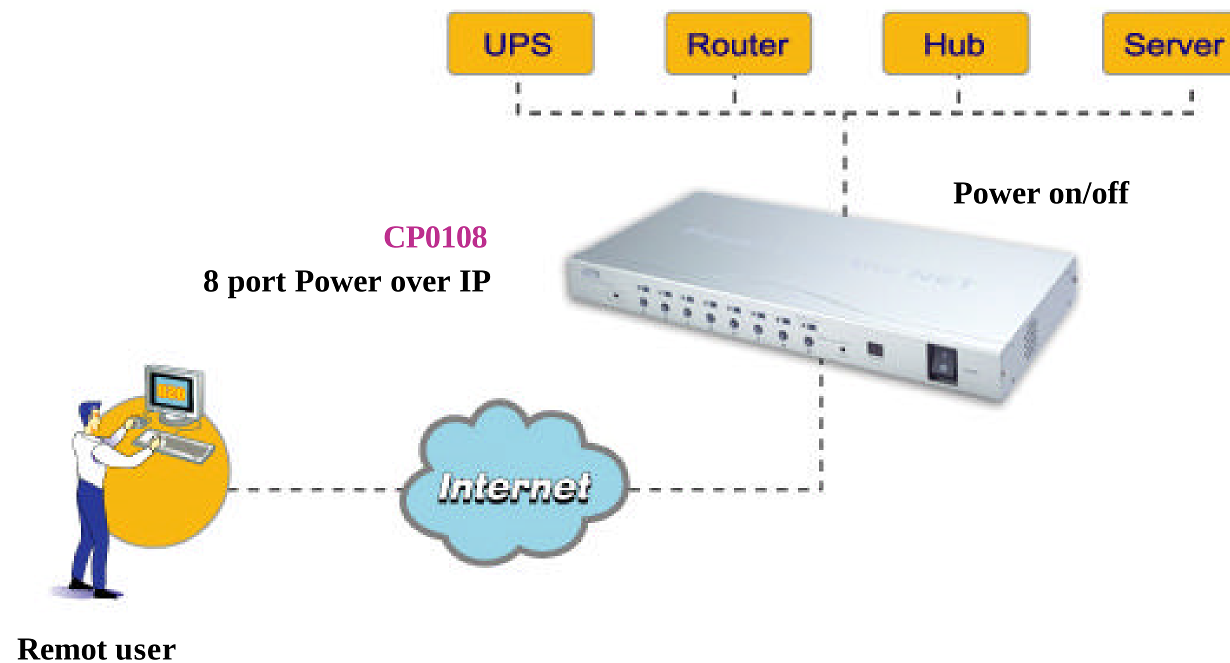


Major Products

2. IP-based connectivity

Power over IP

Remote power on/off varied devices located at server room

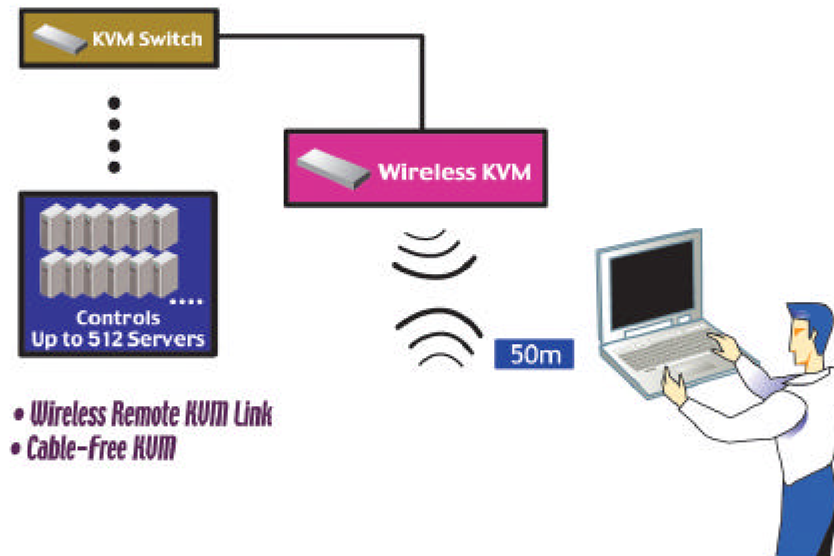




Major Products

3. Wireless connectivity

KVM over wireless IEEE802.11





Major Products

4. USB Hub and Converters

USB 2.0/1.1 Hub and converters



UE-250
USB 2.0 Extender



UH-275
4 port USB2.0 Hub



UN-201
USB2.0 Data Link



PC-220
USB2.0+1394 Combo Cardbus



UC-232A
USB2.0 to RS-232A converter



IC-2814
IEEE 1394b PCI Card

ATEN®
CONNECTIVITY EXPERT



Marketing Strategy



Branding Strategy & Results

65% of sales amount
Amount GR +47% in revenue (Jan-Feb 2004 Vs 2003)









Top Tier Customers





















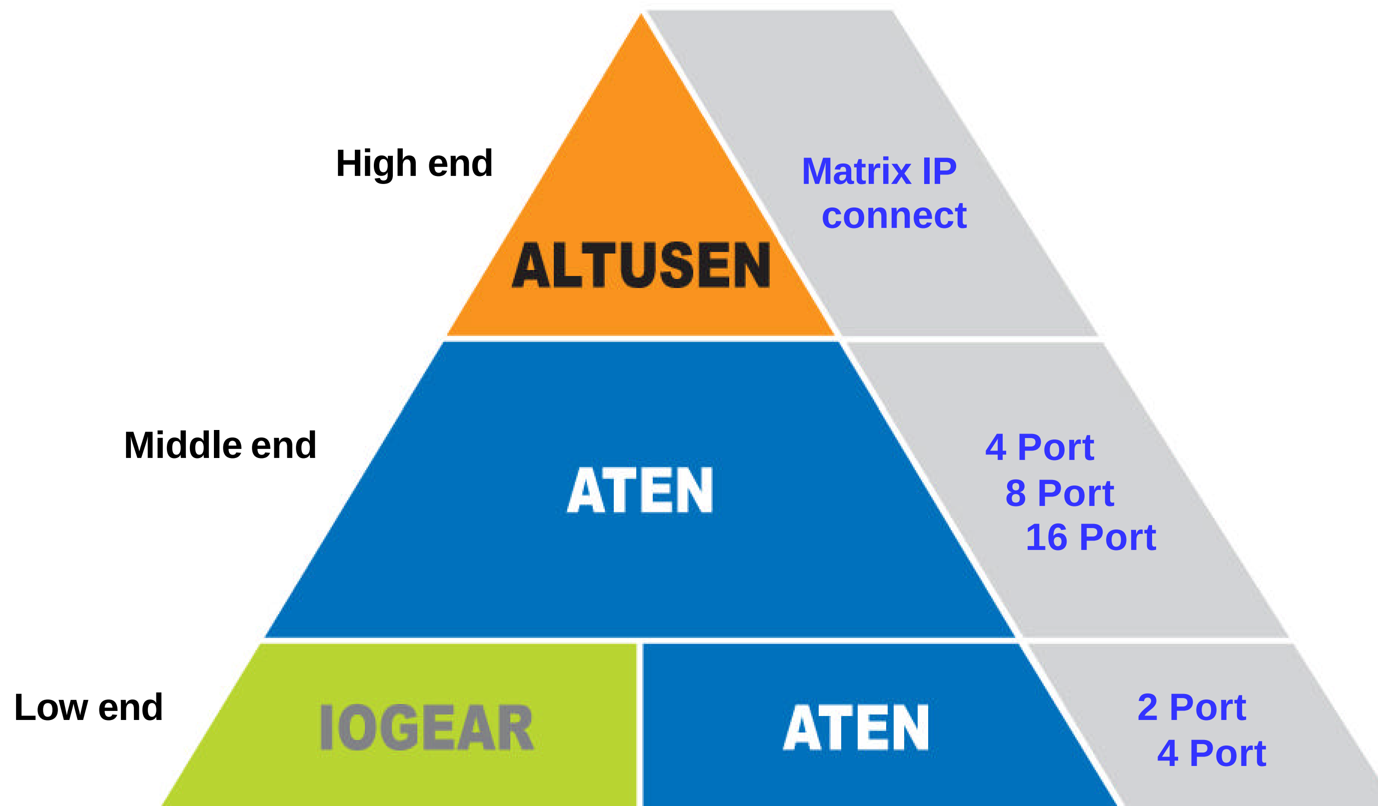




ATEN CONNECTIVITY EXPERT

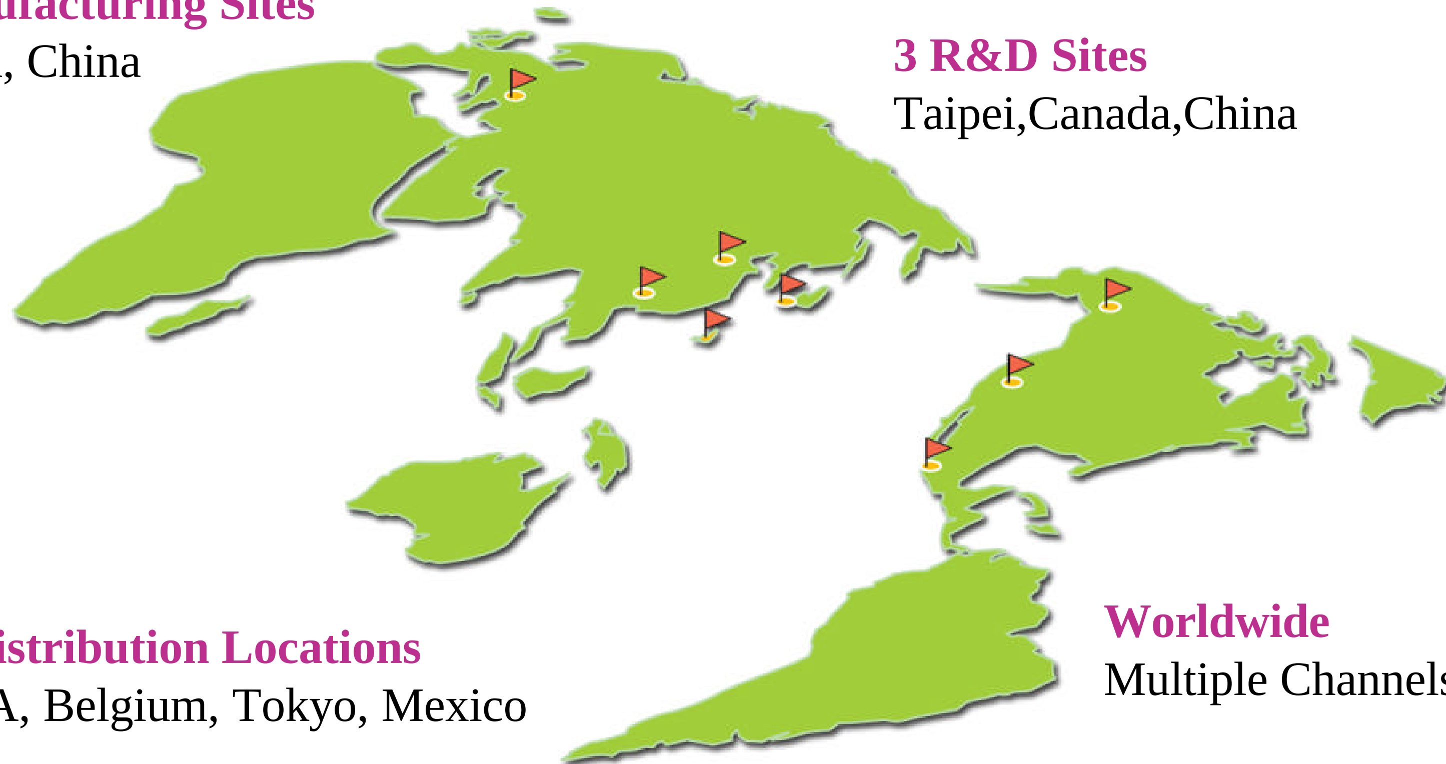


Marketing Segmentation





Marketing Strategic Reach



2 Manufacturing Sites
Taiwan, China

3 R&D Sites
Taipei,Canada,China

4 Distribution Locations
USA, Belgium, Tokyo, Mexico

Worldwide
Multiple Channels

ATEN®
CONNECTIVITY EXPERT



Marketing Potential

Morgan Keegan Report 2002/01

KVM CAGR by amount: +25.1%   from 2002 to 2005

VDC Report 2003/09

KVM CAGR by amount: +17% from 2003 to 2006

a. SOHO KVM : 8%

b. Enterprise KVM: 8 %

c. Professional KVM: 18%

d. IP-based KVM: 33%

ATEN®
CONNECTIVITY EXPERT



R&D Report



R&D Report

Core Technologies

KVM ASIC technology both in PS2 and USB

Matrix technology: multi-user multi-platform

Long distance signal extending technology

Real-time image compression technology

IP-based remote control technology

Wireless digital signal processing technology

Fiber to Ethernet converting technology



New Products since Q4 2003 to 2004

Real USB KVM

Mass PS2 servers changed to USB type in 2004-2006

Aten provides one stop shopping products of dual interfaces

- **Consumer users (Available)**
  - 2 Port : CS62U
  - 2 Port: CS521 (PS2+USB), CS522 (pure USB)
- **Desktop users (Available)**
  - 2 Port : CS1732C (Dual for PS2 & USB)
  - 4 Port : CS1734C (Dual for PS2 & USB)
- **Rack-mount users (Available)**
  - 4 Port : CS1754 (Dual for PS2 & USB)
  - 8 Port : CS1758 (Dual for PS2 & USB)



Real USB KVM Switches

Category	Models
Consumer	CS-62U
Desktop	CS-1732/ CS-1734
Rack-mount	CS-1754/ CS-1758













- *Cost effective*
- *Effortless Switching*
- *Space saving*
- *Versatile Sharing*



New Products since Q4 2003 to 2004

KVM over IP (Available)

CN6000 KVM on the NET™

Remote control KVM through internet/intranet

Smallest size in the world present

Market potential : NT$30M (2004)

CAGR: +33% per year



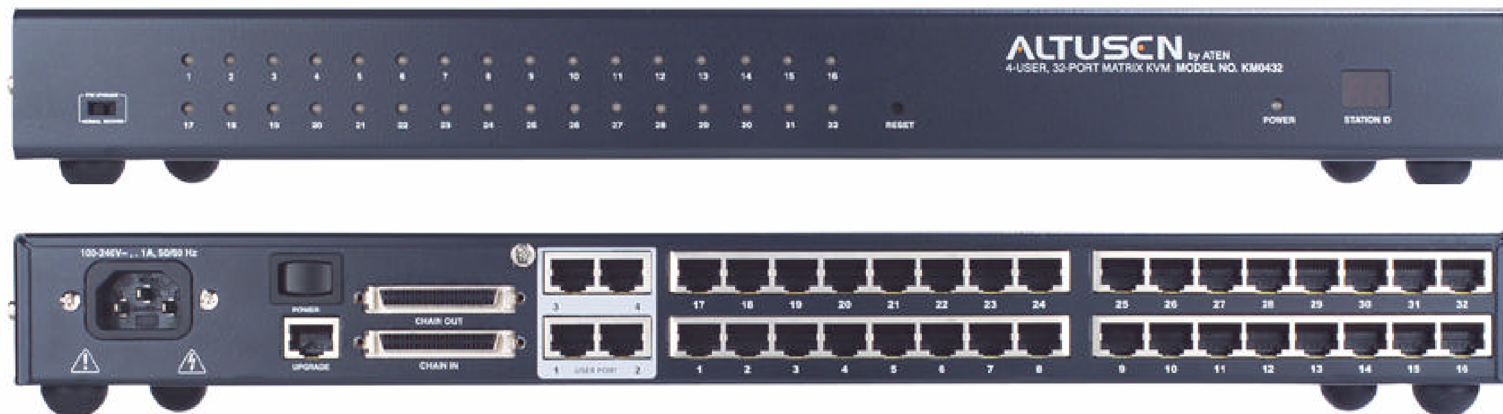
New Products since Q4 2003 to 2004

Matrix KVM (Available)

Multi-user multi-platform (PS2/USB/SUN servers)

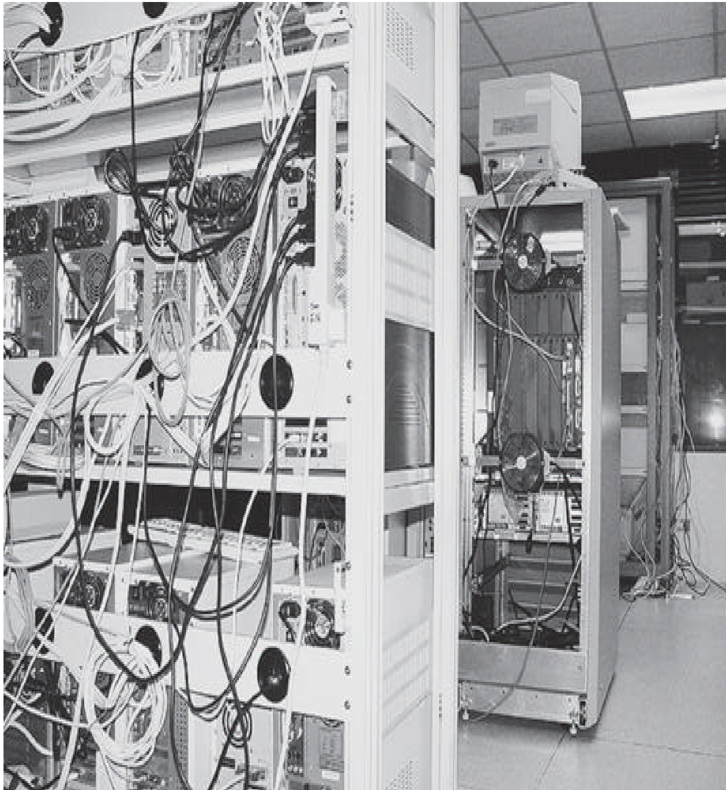
Cat5 connection to servers and consoles

- KM0432 : 4 user X 32 servers, control up to 4096 servers
- KM0216 : 2 user X 16 servers, control up to 2048 servers
- Sales forecast : NT$100M (2004)   GR +50% (2005)





The before and after using KM0432



Then



Now



New Products since Q4 2003 to 2004

4 port KVM with cables built-in

CS64A PS2 type (Available)

CS64U USB type (Q2 2004)



DVI KVM

CS1762 2 port (Q3 2004)

CS1764 4 port (Q3 2004)

Wireless KVM: mobile control KVM & servers

UE1000 (Q2 2004)



ATEN CONNECTIVITY EXPERT

New Products since Q4 2003 to 2004

IP-based KVM & Industrial Control Products

CAGR 33% forecast by VDC

IP-based KVM KN9116 (Q2 2004)

16 port KVM over IP

IP-based Serial console KS0108 / KS0116 (Q2 2004)

8 port & 16 port remote serial consoles

IP-based Power control CP-0108 (Q2 2004)

8 port port remote power control

ATEN®
CONNECTIVITY EXPERT



2004 Objectives

Enforcing Matrix KVM & KVM over IP marketing in high–end market.

Upgrade PS2 KVM market to Real USB products

Build up distribution channels in Europe

Establish distribution Location in Japan and Mexico

Penetrate low-end market by cost-down

ATEN®
CONNECTIVITY EXPERT



Product Awards



Product Awards

Featured article in Japan about *CS-1732*

Aten is quoted as
the best quality
USB KVM between
15 similar products.

Around half of these
15 products developed
By Aten.

ATEN INTERNATIONAL 問い合わせ先：http://www.aten.com.tw/jp/

台湾大手メーカーの最新型はUSBキーボード対応

CS-1732

店頭価格：1万4800円前後

2台接続 | 最大2048×1536ドット | 本体ボタン切り替え | ホットキー切り替え
PS/2接続 | USB 1.1接続 | スピーカー | マイク

ATEN INTERNATIONALは日本にも多くのOEM先を持つ、台湾の大手PC切り替え器メーカー。「CS-1732／1734」はそのATENの日本向けモデルだ。シャンパンゴールドで樹脂のカバーが付き、透過式の3色LED付きボタンや、品のいい切り替え音は高級感が漂う。

最大の特徴はUSBキーボード、USBマウス専用であること。ただのUSBスイッチングではなく、きちんとキーボードの状態も保持できる。だが、今回試した多機能マウスは標準のホイールマウスと認識されてしまった。ファームウエアの更新が可能なので、ぜひ今後の対応に期待したい。切り替え速度は1.27秒。はっきり体感できる速さだ。

■背面

外形寸法：幅130×奥行き75×高さ42mm

■付属ケーブル

接続ケーブルは1.2mが2本付属。4台切り替えの「CS-1734」は1.8mケーブルも2本付く。PCに接続する側（左側）もUSB接続なのでケーブルはすっきり。

■ファームウエアが更新できる

背面にはファームウエアを更新するための通信ポートを備える。サポートサイトから新しいファームウエアを入手できるので、長く使うことができそうだ。

ATEN®
CONNECTIVITY EXPERT



Product Awards

Featured article in many magazines in different countries - *CS-1732*

Czech

Nové rozbočovače Master View USB

Germany

KVM-Switch für den semiprofessionellen Einsatz

Russia

Новый переключатель ATEN Master View USB KVMP Switch CS-1732

Spain

Master View CS-1732

ATEN®
CONNECTIVITY EXPERT



Editor Choice



CS-1732

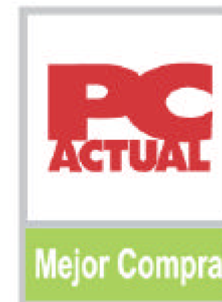
PC World, Spain



PC PRO, Spain



PC Actual, Spain



Computer DIY, Taiwan



ATEN
CONNECTIVITY EXPERT

Product Awards

Featured article in many magazines in different countries - *CN-6000*

TERMINAL
INFORMATIKA MINDENNAP

ATEN CN-6000 távoli szerverirányító

Franczy, 2004.01.12. 13:38

Az ATEN bejelentette, hogy KVM (billentyűzet, monitor és egér) termékskáláját egy újabb taggal bővíti, amely lehetővé teszi, hogy a hálózati adminisztrátorok csatlakozzanak a számítógépekhez bármely a hálózatba kapcsolt munkaállomásról, LAN-on, WAN-on vagy az Interneten keresztül.

A CN-6000 KVM on the NET IP alapú irányító egység lehetővé teszi a felhasználóknak, hogy irányítani tudják a installációikat akár lent a hallból, az utcáról, vagy bárhonnan a világból.

A távmunkát végzők számának növekedésével az ATEN CN-6000-es távoli szerverirányító segít áthidalni a dolgozók és a hivatalok közötti szakadékot, ezzel időt takarítva meg, valamint csökkentve az utazásokra fordított kiadásokat. A CN-6000 böngésző-alapú kliens szoftvere az összes operációs rendszerrel képes együttműködni, így lehetővé teszi, hogy a felhasználók az Internet segítségével a világ bármely pontjáról csatlakozzanak hozzá.

"Mivel a KVM on the NET a TCP/IP-t használja kommunikációs protokollként, a hálózati adminisztrátorok távolról is csatlakozhatnak KVM switch-ekhez, így téve lehetővé a switch-ekhez kapcsolt szerverek könnyű és gyors vezérlését, beleértve az installálást, GUI-s alkalmazások futtatását, a BIOS szintű hibaelhárítást, a rutin ellenőrzéseket, a rendszerkarbantartást- és adminisztrációt valamint az újraindítást" - fejtette ki Jackie Chang, az ATEN értékesítés tervezési osztály társvezetője.

Fejlett biztonsági technológiát alkalmazva a KVM on the NET jelszóvédelmet nyújt, fejlett titkosító technológiákat, érzékeny felhasználói szűröt- és irányítást, titkos módot és automatikus kizárást alkalmaz, hogy biztosítva a távoli hozzáférés biztonságosságát.

A kevesebb mint 1U méretű, ATEN CN-6000-es továbbfejlesztett modell kisebb helyet foglal mint az előzőek, lehetővé téve hogy a felhasználók jobban kihasználhassák a rack szekrények nyújtotta helyet.

A CN-6000 2004 januárjától beszerezhető az ATEN magyarországi disztribútorától az Alphasonic kft-től, ajánlott kiskereskedelmi ára 900 dollár (188 ezer forint).

Kapcsolódó linkek:
- ATEN

Kapcsolódó hírek:
- Az APC új modellekkel bővítette szünetmentes tápegységeit
- Az ATEN bemutatta következő generációs Master View USB KVMP Switch-eit
- Az Apple bemutatta az Xserve G5 kiszolgálót

Magyar PC Magazin Online

ATEN®
CONNECTIVITY EXPERT



Editor Choice

CS-62A	 	**PC Magazine, Taiwan**	
UH-275		**Computer DIY, Taiwan**	
VS-881		**Computer DIY, Taiwan**	



Editor Choice

GHD125C30		**Computer DIY, Taiwan**	
GHE125U		**PC 2000, Taiwan**	
筆記本三件客		**PC 2000,Taiwan**	
GCS62		**Computer DIY, Taiwan**	



Company Profile

Incorporation : Founded in 1979

IPO: Listed in Taiwan Stock Exchange on October 30, 2003 (Ticker 6277)

Capital : NT$ 731,134,570 (US$ 21.8 million @ 33.5)

Activities: R&D / Manufacturing / Export

Employee : 413 (as of 2004/2/29)

Office Space: 9,833 Square Meters/105,845 Square Feet

Factory Area: Taiwan– 4,000 Square Meters/43,057 Square Feet

China – 11,050 Square Meters/118,945 Square Feet

Certification: Germany: ISO 9001 / Taiwan: Symbol of Excellence

Products: KVM Switches/USB peripherals/FireWire peripherals/Data Switches

Global brand :





Milestones

1979 Company Founded

80's Family Automation, Printer Switches, Industrial PC, Switching Power Supply, Motherboards…etc.

90's Flash Buffers, Auto Switches, Video Splitters, CPU Switches and CPU Sharing Devices, Portable Storages, Printer Servers & IP Sharing Devices

2000 Obtained "Symbol of Excellence Award" for PC Sharing Devices CS-182/ CS-124 / CS-1016

2001 Obtained "Symbol of Excellence Award" for Multi User KVM Switches CS-428 / CS-9138, World's first Intel Forum USB2.0 Gold Tree certification



2002 Obtained "Symbol of Excellence Award" for USB KVM Switches ACS-1714/ ACS-1808, Obtained ISO 9001 2000 & TÜV certification

2003 USB KVM, CS-1732/1734, CS-1758/1754, CS-1716/1708, CS-62U

ATEN
CONNECTIVITY EXPERT



Q & A



Thank You!